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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 23, 2000

COMMONWEALTH OF VIRGINIA, ex rel.

PEGGY BUSKILL, et al.

v.

CASE NO. PUE000172

PELHAM MANOR WATER
SUPPLY COMPANY, INC.,
Defendant

ORDER FOR NOTICE AND HEARING

By letter dated February 15, 2000, Pelham Manor Water Supply Company, Inc. ("the Company"), notified its customers, pursuant to the Small Water or Sewer Public Utility Act (§ 56-265.13:1, et seq. of the Code of Virginia) of its intent to increase its charges for water service effective April 1, 2000. The Company's proposed flat rates for water service are as follows:

	<u>Current</u>	<u>Proposed</u>
Occupied residences	\$21.00	\$26.00
Vacant residences	\$15.00	\$20.00

On March 14, 2000, the Commission's Division of Energy Regulation received a petition signed by approximately 65% of the Company's customers objecting to the proposed rate increase and requesting a hearing. On April 6, 2000, the Commission, pursuant to § 56-265.13:6, issued a Preliminary Order suspending

the Company's proposed rates for 60 days, and declaring the proposed rates interim and subject to refund, with interest, following the period of suspension.¹ In that Order, the Commission also directed the Company to file certain financial information on or before May 1, 2000. On May 2, 2000, the Company filed a request for an extension to May 17, 2000, to file its financial data. The Commission granted the Company's request by Order of May 12, 2000.

NOW THE COMMISSION, having considered the matter, is of the opinion that a hearing should be scheduled pursuant to § 56.265.13:6 to receive evidence relevant to the Company's proposed tariffs.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Rule 7:1 of the Commission Rules of Practice and Procedure ("Rules"), a Hearing Examiner is appointed to conduct all further proceedings in this matter.

(2) A public hearing before a Hearing Examiner shall be held on October 3, 2000, commencing at 10:00 a.m. in the Commission's Second Floor Courtroom for the purpose of receiving evidence relevant to the Company's proposed tariff revision.

¹ Subsequent to our April 6, 2000, Preliminary Order, the Commission learned that the Company had already rendered bills for service effective April 1, 2000, at the proposed rates. We will permit the proposed rates to take effect without a period of suspension, however, the proposed rates remain interim and subject to refund.

(3) The proposed increase in the Company's rates shall be permitted to become effective as of April 1, 2000, on an interim basis and subject to refund, with interest.

(4) The appropriate members of the Commission's Staff shall investigate the reasonableness of the Company's proposed tariff and present their findings and recommendations in testimony at the October 3, 2000, public hearing.

(5) The Company shall immediately make a copy of its proposed tariff and accompanying materials available for public inspection during regular business hours at its business office, 8284 James Madison Highway, Rapidan, Virginia 22733.

(6) On or before August 10, 2000, the Company shall file with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, an original and fifteen (15) copies of the prepared testimony and exhibits the Company intends to present at the public hearing, and make a copy of the same available for public inspection as provided in paragraph (5) herein.

(7) Any person desiring to comment in writing on the Company's proposed rates may do so by directing such comments on or before August 17, 2000, to the Clerk of the Commission at the address set forth above. Comments must refer to Case No. PUE000172. Any person desiring to make a statement at the public hearing concerning the application need only appear in

the Commission's second floor courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself to the Bailiff as a public witness.

(8) On or before August 17, 2000, any person who expects to submit evidence, cross-examine witnesses, or otherwise participate in the proceeding as a Protestant, as defined in Rule 4:6, shall file with the Clerk of the Commission at the address set forth above an original and fifteen (15) copies of a Notice of Protest as provided in Rule 5:16(a) and shall serve a copy on the Company. Service upon the Company shall be made on David K. Travers, President, Pelham Manor Water Supply Company, Inc., 8284 James Madison Highway, Rapidan, Virginia 22733.

(9) Within five (5) days of receipt of any Notice of Protest, the Company shall serve on each Protestant a copy of all material now or hereinafter filed with the Commission.

(10) Any person desiring to participate in the proceeding as a Protestant, pursuant to Rule 4:6, shall file, on or before August 29, 2000, an original and fifteen (15) copies of a Protest with the Clerk of the Commission, at the address set forth in paragraph (6) above, referring to Case No. PUE000172 and shall simultaneously send a copy thereof to the Company as provided in paragraph (8) above.

(11) The Protest shall set forth (i) a precise statement of the interest of the Protestant in the proceeding; (ii) a full

and clear statement of the facts which the Protestant is prepared to prove by competent evidence; and (iii) a statement of the specific relief sought and the legal basis thereof. Any corporate entity or governmental unit that wishes to submit evidence, cross-examine witnesses, or otherwise participate as a Protestant must be represented by legal counsel in accordance with the requirements of Rule 4:8.

(12) On or before August 29, 2000, each Protestant shall file with the Clerk of the Commission an original and fifteen (15) copies of the prepared testimony and exhibits the Protestant intends to present at the public hearing, and shall simultaneously mail a copy to the Company at the address set out above.

(13) On or before September 7, 2000, the Commission Staff shall file an original and fifteen (15) copies of the prepared testimony and exhibits Staff intends to present at the public hearing and shall serve a copy of each upon the Company and each Protestant.

(14) On or before September 22, 2000, the Company shall file an original and fifteen (15) copies of all testimony it expects to introduce in rebuttal to all direct prefiled testimony and exhibits. Additional rebuttal evidence may be presented without prefiling, provided it is in response to evidence which was not prefiled but elicited at the time of the

hearing, and provided further, the need for additional rebuttal evidence is timely addressed by motion during the hearing and leave to present said evidence is granted by the Hearing Examiner. A copy of the prefiled rebuttal evidence shall be sent to the Company and to all other parties to the proceeding.

(15) The Company shall respond to written interrogatories within ten (10) days after receipt of same. Protestants shall respond to the written interrogatories of the Company, other Protestants and Staff within five (5) business days after receipt of same. Protestants shall provide the Company, other Protestants, and Staff with any work papers or documents used in preparation of their filed testimony promptly upon request. Except as modified above, discovery shall be in accordance with Part VI of the Rules.

(16) On or before August 2, 2000, the Company shall cause a copy of the following notice to be sent to each of its customers by first-class mail, postage prepaid (bill inserts are acceptable):

NOTICE TO THE PUBLIC OF A HEARING ON
THE PROPOSED CHANGE IN WATER RATES OF
PELHAM MANOR WATER SUPPLY CO., INC.
CASE NO. PUE000172

TAKE NOTICE that by letter dated February 15, 2000, Pelham Manor Water Supply Company, Inc. ("the Company"), notified its customers, pursuant to the Small Water or Sewer Public Utility Act, of its intent to increase its charges for water service

effective April 1, 2000. Changes in the Company's proposed rates are as follows:

	<u>Current</u>	<u>Proposed</u>
Occupied residences	\$21.00	\$26.00
Vacant residences	\$15.00	\$22.00

The State Corporation Commission has declared the Company's proposed rates interim and subject to refund, with interest, as of April 1, 2000; and has scheduled a hearing to begin at 10:00 a.m. on October 3, 2000, in the Commission's Second Floor Courtroom in the Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive evidence relevant to the Company's proposed rates.

PLEASE TAKE NOTICE that while the total revenue that may be approved by the Commission is limited to the amount produced by the Company's proposed rates, the rates and charges approved for each class of services (occupied residences and vacant residences) may be either higher than or lower than those proposed by the Company.

A copy of the Company's proposed tariffs and accompanying materials are available for public inspection during regular business hours at the Company's office, 8284 James Madison Highway, Rapidan, Virginia 22733. A copy of the proposed tariffs is also available Monday through Friday, 8:15 a.m. to 5:00 p.m. at the Commission's Clerk's Office, Document Control Center, First Floor, 1300 East Main Street, Richmond, Virginia. On or after August 10, 2000, a copy of the Company's prefiled testimony and exhibits will be available for public inspection at the same locations.

Any person desiring to comment in writing on the proposed rates may do so by directing such comments on or before

August 17, 2000, to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, referring to Case No. PUE000172. Any person desiring to make a statement at the public hearing, either for or against the application, need only appear in the Commission's courtroom at 9:45 a.m. on the day of the hearing and identify himself as a public witness to the Commission's bailiff.

Individuals with disabilities who require an accommodation to participate in the hearing should contact the Commission at 1-800-552-7945 (voice) or 1-804-371-9206 (TDD) at least seven days before the scheduled hearing date.

On or before August 17, 2000, any person who expects to submit evidence, cross-examine witnesses, or otherwise participate in the proceeding as a Protestant, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("Rules") shall file an original and fifteen (15) copies of a Notice of Protest, as provided in Rule 5:16(a), with the Clerk of the Commission and serve a copy upon the Company. Service upon the Company shall be made on David K. Travers, President, Pelham Manor Water Supply Co., Inc., 8284 James Madison Highway, Rapidan, Virginia 22733.

Any person desiring to participate as a Protestant, pursuant to Rule 4:6, shall file on or before August 29, 2000, an original and fifteen (15) copies of a Protest with the Clerk of the State Corporation Commission referring to Case No. PUE00017, at the address set forth above, and shall simultaneously send a copy to the Company at the address provided in the foregoing paragraph.

The Protest shall set forth (i) a precise statement of the interest of the Protestant in the proceeding; (ii) a full

and clear statement of the facts which the Protestant is prepared to prove by competent evidence; and (iii) a statement of the specific relief sought and the legal basis therefor. Any corporate entity or governmental unit that wishes to submit evidence, cross-examine witnesses, or otherwise participate as a Protestant must be represented by legal counsel in accordance with the requirements of Rule 4:8.

On or before August 29, 2000, each Protestant shall file an original and fifteen (15) copies of the prepared testimony and exhibits Protestant intends to present at the public hearing, and shall simultaneously mail a copy to the Company at the address provided above, and to other Protestants.

All written communications to the Commission regarding this case should be directed to Clerk of the State Corporation Commission, P.O. Box 2118, Richmond, Virginia 23218, and should refer to Case No. PUE000172.

PELHAM MANOR WATER SUPPLY COMPANY, INC.

(17) The Company shall immediately serve a copy of this Order on the Chair of the Board of Supervisors of each county in which the Company offers service and/or the Mayor or Manager of every city and town (or equivalent officials in counties, cities, and towns having alternate forms of government) in which the Company offers service. Service shall be made by first-class mail or delivery to the customary place of business or to the resident of the person served.

(18) On or before August 10, 2000, the Company shall provide the Commission with proof of notice as required by paragraphs (16) and (17).